



OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 531

[Docket ID: OPM-2023-0009]

RIN 3206-A058

General Schedule Locality Pay Areas

AGENCY: Office of Personnel Management.

ACTION: Proposed rule.

SUMMARY: The Office of Personnel Management is proposing regulations on behalf of the President's Pay Agent to change the geographic boundaries of General Schedule locality pay areas. The proposed changes in locality pay area definitions would be applicable on the first day of the first applicable pay period beginning on or after January 1, 2024, subject to issuance of final regulations. The locations proposed for inclusion in a locality pay area separate from the Rest of U.S. locality pay area have all met criteria previously recommended by the Federal Salary Council and approved by the Pay Agent for nationwide use in the locality pay program.

DATES: We must receive comments on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: You may submit comments, identified by docket number and/or Regulatory Information Number (RIN) and title, by the following method:

- Federal Rulemaking Portal: <https://www.regulations.gov>. Follow the instructions for submitting comments.

All submissions received must include the agency name and docket number or RIN for this document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing at

<https://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT: Joe Ratcliffe by e-mail at pay-leave-policy@opm.gov or by telephone at (202) 936-3081.

SUPPLEMENTARY INFORMATION:

The proposed changes in locality pay area definitions include linking geographic boundaries of locality pay areas to the updated definitions of metropolitan statistical areas and combined statistical areas (MSAs and CSAs) in Office of Management and Budget (OMB) Bulletin No. 20-01; establishing four new locality pay areas having pay disparities significantly exceeding that for the Rest of U.S. locality pay area over an extended period; and changing the criteria by which locations adjacent to an MSA or CSA comprising a basic locality pay area can be included in the locality pay area as an area of application. (The terms *basic locality pay area* and *area of application* are defined below.) However, while any location may be subject to a change in locality pay area designation in the future based on a recommendation by the Federal Salary Council which is approved by the Pay Agent, locations that are currently in a locality pay area other than the Rest of U.S. locality pay area and would otherwise be redesignated as part of a lower-paying locality pay area due to application of approved criteria will remain in their current locality pay area under this proposal.

The four new locality pay areas proposed are Fresno-Madera-Hanford, CA; Reno-Fernley, NV; Rochester-Batavia-Seneca Falls, NY; and Spokane-Spokane Valley-Coeur d'Alene, WA-ID. Locality pay rates for these four areas would be set by the President after they have been established by regulation as new locality pay areas.

Section 5304 of title 5, United States Code, authorizes locality pay for General Schedule (GS) employees with duty stations in the United States and its territories and possessions. Section 5304(f) of title 5, United States Code, authorizes the President's Pay

Agent (the Secretary of Labor, the Director of the Office of Management and Budget (OMB), and the Director of the Office of Personnel Management (OPM)) to determine locality pay areas. The boundaries of locality pay areas are based on appropriate factors, which may include local labor market patterns, commuting patterns, and the practices of other employers. The Pay Agent considers the views and recommendations of the Federal Salary Council, a body composed of experts in the fields of labor relations and pay policy and representatives of Federal employee organizations. The President appoints the members of the Council, which submits annual recommendations to the Pay Agent about the administration of the locality pay program, including the geographic boundaries of locality pay areas. (The Federal Salary Council's recommendations are posted on the OPM website at <https://www.opm.gov/policy-data-oversight/pay-leave/pay-systems/general-schedule/#url=Federal-Salary-Council>.) The establishment or modification of pay area boundaries conforms to the notice and comment provisions of the Administrative Procedure Act (5 U.S.C. 553).

This proposal provides notice and requests comments on proposed regulations to implement the Pay Agent's plan to define GS locality pay areas geographically based on the updated definitions of metropolitan statistical areas and combined statistical areas (MSAs and CSAs) in Office of Management and Budget (OMB) Bulletin No. 20-01; to establish four new locality pay areas having pay disparities significantly exceeding that for the Rest of U.S. locality pay area over an extended period; and to change the criteria by which locations adjacent to an MSA or CSA comprising a basic locality pay area are included in locality pay areas as areas of application. (The terms *basic locality pay area* and *area of application* are defined below.) As further discussed below, those changes were tentatively approved, pending appropriate rulemaking, in the December 15, 2022, report of the President's Pay Agent. (Annual Pay Agent reports on locality pay are posted on the OPM website at [https://www.opm.gov/policy-data-oversight/pay-leave/pay-systems/general-](https://www.opm.gov/policy-data-oversight/pay-leave/pay-systems/general-schedule/#url=Federal-Salary-Council)

schedule/#url=Pay-Agent-Reports.)

Terms Used in Defining Locality Pay Areas

As explained in the Federal Salary Council's October 14, 2022, report to the Pay Agent, a locality pay area separate from the Rest of U.S. locality pay area consists of a *basic locality pay area* and, where criteria recommended by the Council and approved by the Pay Agent are met, *areas of application*. A basic locality pay area consists of a main core-based statistical area (CBSA) defined by OMB as a metropolitan statistical area (MSA) or combined statistical area (CSA). An MSA or CSA cannot be established as a basic locality pay area separate from the Rest of U.S. locality pay area unless the MSA or CSA has a pay disparity that significantly exceeds the overall Rest of U.S. pay disparity over an extended period, with such pay disparities calculated using approved Bureau of Labor Statistics (BLS) salary data. Areas of application are locations that are adjacent to the basic locality pay area and have met approved criteria for inclusion in the locality pay area.

Linking Locality Pay Area Boundaries to OMB-Defined Metropolitan Areas

OMB-defined metropolitan areas are called CBSAs and are currently grouped into three categories: micropolitan statistical areas, where the largest included urban area has a population of 10,000 to 49,999; MSAs, where the largest included urban area has a population of 50,000 or more; and CSAs, which are composed of two or more adjacent CBSAs with an employment interchange measure of at least 15 percent. (The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.) OMB-defined metropolitan areas have been the basis of locality pay area boundaries since locality pay was first implemented in 1994. OMB periodically updates its definitions of CBSAs, and current regulations defining locality pay areas link the geographic definitions of locality pay areas to MSAs and CSAs as delineated in OMB Bulletin No. 18-03 (available at

<https://www.whitehouse.gov/wp-content/uploads/2018/04/OMB-BULLETIN-NO.-18-03-Final.pdf>).

As explained in the Pay Agent's December 2022 annual report, the Pay Agent has tentatively approved the use in the locality pay program of the MSAs and CSAs delineated in OMB Bulletin No. 20-01 (available at <https://www.whitehouse.gov/wp-content/uploads/2020/03/Bulletin-20-01.pdf>), pending the issuance of revised locality pay regulations. This proposed rule would implement the change by revising the definitions of "CSA" and "MSA" in 5 CFR 531.602 to link the geographic definitions of locality pay areas to the March 2020 definitions of MSAs and CSAs in OMB Bulletin No. 20-01, and by updating the locality pay area definitions in 5 CFR 531.603 to reflect use of the OMB Bulletin No. 20-01 MSA and CSA definitions. The geographic boundaries of locality pay areas would not change automatically should OMB issue a new Bulletin to change the definitions of any MSAs or CSAs serving as the basis of the geographic boundaries of locality pay areas. As under the current regulations, the Pay Agent would instead assess what the impact of a future Bulletin would be on locality pay areas before deciding whether to use the new CBSA definitions. While any location may be subject to a change in locality pay area designation in the future based on a recommendation by the Federal Salary Council which is approved by the Pay Agent, the proposed rule also implements the Pay Agent's plan to retain, in their current locality pay area, any locations that would otherwise move to a lower-paying locality pay area as a result of linking locality pay area definitions to the MSAs and CSAs in OMB Bulletin No. 20-01, as recommended by the Federal Salary Council. Under this proposed rule, any such retained area would no longer be part of the basic locality pay area due to use of those MSAs and CSAs and would be treated as an area of application.

Establishing Four New Locality Pay Areas

Locality pay is set by comparing GS and non-Federal pay rates for the same levels of

work in each locality pay area. Non-Federal salary survey data used to set locality pay rates are collected by BLS. Historically, the Federal Salary Council and President's Pay Agent have not been able to study non-Federal pay and establish separate locality pay areas in all the many metropolitan areas with GS employees. However, the current salary survey methodology, which was first used in 2012, provides more location coverage than the previous methodology by combining data sources from two previously existing BLS products—i.e., the National Compensation Survey (NCS) and the Occupational Employment and Wage Statistics (OEWS) program. The measurement process BLS provides in doing so is called the NCS/OEWS Model, and the Rest of U.S. metropolitan areas it covers are called Rest of U.S. research areas.

Based on its review of pay disparities using NCS/OEWS data and calculated for all Rest of U.S. research areas, the Council has recommended new locality pay areas be established for four metropolitan areas with pay gaps averaging more than 10 percentage points above that for the Rest of U.S. locality pay area over an extended period. The President's Pay Agent has agreed to propose regulations that would establish the four new locality pay areas by modifying 5 CFR 531.603(b) accordingly. The four new locality pay areas proposed are Fresno-Madera-Hanford, CA; Reno-Fernley, NV; Rochester-Batavia-Seneca Falls, NY; and Spokane-Spokane Valley-Coeur d'Alene, WA-ID. Locality pay rates for the four new locality pay areas would be set by the President at a later date should the locality pay areas be established by final regulation.

Stakeholders should note that Rest of U.S. locations that we have not proposed for establishment as new locality pay areas have not met the pay disparity criterion by which locality pay areas are established. Such locations are either established Rest of U.S. research areas that have not met the pay disparity criterion referred to above or are locations that have not been established as Rest of U.S. research areas. Stakeholders should also note that establishment of Rest of U.S. research areas historically has not been on a case-by-case

basis in response to stakeholder requests. When the Council began using the NCS/OES (now NCS/OEWS) model in 2012, selection of Rest of U.S. research areas was limited to MSAs and CSAs having 2,500 or more GS employees. Starting in 2022, the Council has now begun to request that BLS deliver NCS/OEWS estimates for areas that had fewer than 2,500 GS employees, and so far BLS resources have allowed for delivery of NCS/OEWS estimates for 10 such CBSAs. Those 10 CBSAs had the highest levels of GS employment among areas not previously established as Rest of U.S. research areas. Two of those new Rest of U.S. research areas—Reno, NV, and Rochester, NY—met the pay disparity criterion mentioned above and thus are proposed here as new locality pay areas. (Fresno, CA, and Spokane, WA, had already been established as Rest of U.S. research areas but did not meet the pay disparity criterion prior to the Council issuing its October 14, 2022, report.)

It should also be noted that BLS has said it is not feasible for the NCS/OEWS model to produce reliable salary estimates for micropolitan statistical areas or rural counties. In addition, the data for any additional MSAs and CSAs evaluated as potential new Rest of U.S. research areas are subject to BLS validation and testing. Thus, it is possible that data from some MSAs or CSAs not yet evaluated as potential Rest of U.S. research areas may not pass such validation and testing and may not meet BLS' standards for delivery to the Pay Agent.

We support the Council's plans to continue its work with BLS to determine whether additional locations can be established as Rest of U.S. research areas. The Pay Agent looks forward to hearing of future progress on increasing the capacity to monitor pay disparities in more areas but also has urged the Council to continue proceeding with caution on this work to ensure pay disparity data for any additional MSAs or CSAs are as accurate as possible in the context of current methodology.

Criteria for Areas of Application

As mentioned above, locality pay areas consist of (1) the MSA or CSA comprising the basic locality pay area, and (2) where criteria recommended by the Federal Salary Council

and approved by the Pay Agent are met, areas of application. Areas of application are locations that are adjacent to the basic locality pay area and meet approved criteria for inclusion in the locality pay area. Those criteria are explained below.

Since 2005, the criteria by which CBSAs or counties adjacent to a basic locality pay area have been evaluated for possible inclusion in the locality pay area as areas of application have been as follows: For adjacent CSAs and adjacent multi-county MSAs, the criteria are 1,500 or more GS employees and an employment interchange rate of at least 7.5 percent. For adjacent single counties, the criteria are 400 or more GS employees and an employment interchange rate of at least 7.5 percent. The employment interchange rate is defined as the sum of the percentage of employed residents of the area under consideration who work in the basic locality pay area and the percentage of the employment in the area under consideration that is accounted for by workers who reside in the basic locality pay area. (The employment interchange rate is calculated by including all workers in assessed locations, not just Federal employees.)

The Pay Agent has tentatively agreed with the Council that the following criteria should be used for evaluating CBSAs or counties that are adjacent to the basic locality pay area as potential areas of application and that the GS employment criteria currently used in evaluating such locations should be eliminated:

- For a CBSA (includes single-county CBSAs other than single-county micropolitan areas) adjacent to a basic locality pay area, an employment interchange rate of at least 7.5 percent with the basic locality pay area.
- For a county that is not part of a CBSA or comprises a single-county micropolitan area and is adjacent to a basic locality pay area, an employment interchange rate of at least 20 percent with the basic locality pay area.
- For a county that is adjacent to multiple locality pay areas and does not meet the 20 percent employment interchange threshold with respect to any single locality pay

area, a sum of employment interchange rates of at least 20 percent with the adjacent basic locality pay areas. Such a county would be added to the locality pay area with which it has the greatest degree of employment interchange.

This proposed rule reflects application of those criteria to all locations throughout the country.

The Pay Agent also has criteria for evaluating Federal facilities that cross county lines into a separate locality pay area. Those criteria do not change under this proposal and are as follows: To be included in an adjacent locality pay area, the whole facility under consideration must have at least 500 GS employees, with the majority of those employees in the higher-paying locality pay area, or that portion of a Federal facility outside of a higher-paying locality pay area must have at least 750 GS employees, the duty stations of the majority of those employees must be within 10 miles of the separate locality pay area, and a significant number of those employees must commute to work from the higher-paying locality pay area.

It has been the practice in the locality pay program in recent years to include a location completely bordered by land that is included in higher-paying locality pay areas in the adjacent locality pay area with which the location has the greatest degree of employment interchange. We agree with the Council that this practice should continue. Thus, we also agree with the Council that Emporia city, VA—a U.S. county equivalent surrounded geographically by Greensville County, VA—should be included in the Richmond, VA, locality pay area as an area of application. (Greensville County would be included in the Richmond, VA, locality pay area as an area of application because it is adjacent to the Richmond, VA, basic locality pay area and has a 23.36 percent rate of employment interchange with the Richmond, VA MSA.)

This proposal also reflects our tentative agreement with the Council that the

following locations bordered only by water and higher-paying locality pay areas should be included in higher-paying locality pay areas because we share the Council's view that they are similar to locations completely bordered by land that is included in higher-paying locality pay areas: Dukes and Nantucket Counties, MA, which would be included in the Boston-Worcester-Providence, MA-RI-NH-CT-ME-VT locality pay area as areas of application; Huron County, MI, which would be included in the Detroit-Warren-Ann Arbor, MI, locality pay area as an area of application; and Pacific and San Juan Counties, WA, which would be included in the Seattle-Tacoma, WA, locality pay area as areas of application.

Situations Involving Locations Previously Retained in a Locality Pay Area

It has been the practice in the locality pay program to retain in their current locality pay area locations that would otherwise be redesignated as part of a lower-paying locality pay area due to application of approved criteria. However, situations involving such locations must be monitored over time. As pay levels and locations comprising locality pay areas change over time, the situation with respect to a retained location can change so that it should no longer be retained in a locality pay area but rather should be placed as it would be otherwise based on standard criteria. In our view, such is the case with respect to Windham County, CT, which we propose be included in the Boston-Worcester-Providence, MA-RI-NH-CT-ME-VT locality pay area. In 2016, the Pay Agent retained Windham County, CT, in the Hartford-West Hartford, CT-MA locality pay area, even though under OMB Bulletin No. 13-01 (which had just been approved for use in the locality pay program) the county had been redesignated from the Hartford CSA to the Boston CSA. The Pay Agent took that action because otherwise the county would have been redesignated to the Boston locality pay area, which then had a lower locality pay percentage than the Hartford locality pay area. However, since January 2023, the locality pay percentage for the Boston locality pay area has exceeded that for the Hartford locality pay area. Considering that, and because Windham County is currently part of the OMB-defined CSA the Boston basic locality pay

area is based on, we are proposing the county be redesignated to the Boston-Worcester-Providence, MA-RI-NH-CT-ME-VT locality pay area.

Strict application of standard criteria can also be problematic in situations where a new locality pay area would be adjacent to an existing locality pay area that contains locations that would be retained by the Pay Agent as areas of application to avoid redesignation to a potentially lower-paying locality pay area. Alpine County, CA, exemplifies such a case. Under the criteria by which locality pay areas are defined under this proposed rule, a single-county location that is adjacent to multiple locality pay areas would be added to the locality pay area with which it has greatest degree of employment interchange provided the sum of the employment interchange rates the county has with adjacent locality pay areas would be at least 20 percent. Alpine County, CA, is adjacent to the Reno-Carson City-Fernley, NV CSA and the Sacramento-Roseville, CA-NV basic locality pay area; the sum of its employment interchange rates is greater than 20 percent; and it has a higher rate of employment interchange with the Reno CSA than with the Sacramento CSA (51.86 percent with Reno and 41.04 percent with Sacramento). However, because the Pay Agent plans to retain the Nevada Counties of Carson City and Douglas (which are part of the Reno-Carson City-Fernley, NV, CSA) in the Sacramento-Roseville, CA-NV locality pay area as the Federal Salary Council recommended, having Alpine County in the Reno locality pay area would make that locality pay area discontinuous, with Alpine County no longer being adjacent to any other county in the Reno locality pay area while being bordered by counties in the Sacramento locality pay area. In addition, when Carson City and Douglas County are removed from the Reno CSA for purposes of calculating an interchange rate for Alpine County, its employment interchange rate with the remaining subset of the Reno CSA drops to 9.34 percent. Thus, the Pay Agent proposes including Alpine County, CA, in the proposed Sacramento-Roseville, CA-NV locality pay area as an area of application.

Note on Caroline County, VA

In addition to the Rest of U.S. locations the Council listed in its October 14, 2022, report as impacted by its recommendations on the criteria for areas of application, Caroline County, VA, which is currently in the Richmond, VA, locality pay area, would be included in the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA locality pay area under this proposed rule.

While Caroline County, VA, is part of the basic Richmond, VA, locality pay area as previously defined using OMB Bulletin No. 18-03, it is not part of the Richmond, VA, basic locality pay area as defined using OMB Bulletin No. 20-01 nor is it part of any other CBSA comprising a basic locality pay area under this proposed rule. However, this single-county location is adjacent to both the Richmond, VA and Washington-Baltimore-Arlington, DC-MD-VA-WV-PA basic locality pay areas.

Under the criteria by which locality pay areas are defined under this proposed rule, a single-county location that is adjacent to multiple locality pay areas would be added to the locality pay area with which it has greatest degree of employment interchange provided the sum of the employment interchange rates the county has with adjacent locality pay areas would be at least 20 percent. Caroline County, VA, is adjacent to the Richmond, VA, and Washington-Baltimore-Arlington, DC-MD-VA-WV-PA locality pay areas; the sum of its employment interchange rates is greater than 20 percent; and it has a higher rate of employment interchange with the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA basic locality pay area than with the Richmond, VA, basic locality pay area (53.24 percent with Washington-Baltimore and 40.04 percent with Richmond).

Locations Comprising New Locality Pay Areas

This proposal would amend 5 CFR 531.603(b) to establish the following locations as new locality pay areas.

Fresno-Madera-Hanford, CA

Fresno County, CA; Kings County, CA; Madera County, CA; Mariposa County, CA; and Tulare County, CA.

Reno-Fernley, NV

Churchill County, NV; Lyon County, NV; Storey County, NV; and Washoe County, NV.

Rochester-Batavia-Seneca Falls, NY

Genesee County, NY; Livingston County, NY; Monroe County, NY; Ontario County, NY; Orleans County, NY; Seneca County, NY; Wayne County, NY; and Yates County, NY.

Spokane-Spokane Valley-Coeur d'Alene, WA-ID

Benewah County, ID; Kootenai County, ID; Shoshone County, ID; Ferry County, WA; Lincoln County, WA; Pend Oreille County, WA; Spokane County, WA; Stevens County, WA.

Locations Added to Existing Locality Pay Areas

This proposal would amend 5 CFR 531.603(b) to add the following locations to existing locality pay areas:

Albany-Schenectady, NY-MA

Greene County, NY; and Hamilton County, NY.

Albuquerque-Santa Fe-Las Vegas, NM

Mora County, NM.

Atlanta—Athens-Clarke County—Sandy Springs, GA-AL

Cherokee County, AL; Cleburne County, AL; Lee County, AL; Randolph County, AL; Russell County, AL; Banks County, GA; Chattahoochee County, GA; Elbert County, GA; Floyd

County, GA; Franklin County, GA; Gilmer County, GA; Greene County, GA; Habersham County, GA; Harris County, GA; Lumpkin County, GA; Marion County, GA; Muscogee County, GA; Putnam County, GA; Rabun County, GA; Stephens County, GA; Stewart County, GA; Talbot County, GA; Taliaferro County, GA; and White County, GA.

Austin-Round Rock, TX

Blanco County, TX; Burnet County, TX; Lee County, TX; and Milam County, TX.

Birmingham-Hoover-Talladega, AL

Clay County, AL; Etowah County, AL; Greene County, AL; Hale County, AL; Pickens County, AL; Tuscaloosa County, AL; and Winston County, AL.

Boston-Worcester-Providence, MA-RI-NH-ME

Windham County, CT (redesignated from Hartford-West Hartford CT-MA locality pay area); Dukes County, MA; Nantucket County, MA; Carroll County, NH; Cheshire County, NH; Grafton County, NH; Sullivan County, NH; Orange County, VT; and Windsor County, VT.

Buffalo-Cheektowaga, NY

Allegany County, NY; and Wyoming County, NY.

Burlington-South Burlington, VT

Addison County, VT; Lamoille County, VT; and Washington County, VT.

Charlotte-Concord, NC-SC

Alexander County, NC; Anson County, NC; Burke County, NC; Caldwell County, NC; Catawba County, NC; and Chesterfield County, SC.

Chicago-Naperville, IL-IN-WI

Boone County, IL; Iroquois County, IL; Ogle County, IL; Stephenson County, IL; Winnebago County, IL; and Starke County, IN.

Cincinnati-Wilmington-Maysville, OH-KY-IN

Ripley County, IN; Switzerland County, IN; Carroll County, KY; Fleming County, KY; Lewis County, KY; Owen County, KY; Robertson County, KY; Adams County, OH; and Highland County, OH.

Cleveland-Akron-Canton, OH

Ashland County, OH; Columbiana County, OH; Crawford County, OH; Holmes County, OH; Mahoning County, OH; Richland County, OH; Trumbull County, OH; Wayne County, OH; and Mercer County, PA.

Columbus-Marion-Zanesville, OH

Coshocton County, OH; Hardin County, OH; Morgan County, OH; Noble County, OH; Pike County, OH; and Vinton County, OH.

Corpus Christi-Kingsville-Alice, TX

Duval County, TX; Live Oak County, TX; and Refugio County, TX.

Dallas-Fort Worth, TX-OK

Carter County, OK; Love County, OK; Hill County, TX; Jack County, TX; Montague County, TX; Rains County, TX; and Van Zandt County, TX.

Davenport-Moline, IA-IL

Lee County, IL; Whiteside County, IL; Cedar County, IA; Jackson County, IA; and Louisa County, IA.

Dayton-Springfield-Sidney, OH

Allen County, OH; Auglaize County, OH; Mercer County, OH; and Van Wert County, OH.

Denver-Aurora, CO

Lincoln County, CO.

Des Moines-Ames-West Des Moines, IA

Adair County, IA; Clarke County, IA; Greene County, IA; Hamilton County, IA; Lucas County, IA; Mahaska County, IA; Marion County, IA; Monroe County, IA; and Poweshiek County, IA.

Detroit-Warren-Ann Arbor, MI

Clinton County, MI; Eaton County, MI; Huron County, MI; Ingham County, MI; Jackson County, MI; Sanilac County, MI; Shiawassee County, MI; and Tuscola County, MI.

Harrisburg-Lebanon, PA

Juniata County, PA.

Houston-The Woodlands, TX

Colorado County, TX; Grimes County, TX; Jackson County, TX; and Madison County, TX.

Huntsville-Decatur-Albertville, AL

Colbert County, AL; Lauderdale County, AL; and Lincoln County, TN.

Indianapolis-Carmel-Muncie, IN

Benton County, IN; Blackford County, IN; Carroll County, IN; Clinton County, IN; Fayette County, IN; Fountain County, IN; Lawrence County, IN; Monroe County, IN; Owen County, IN; Randolph County, IN; Rush County, IN; Tippecanoe County, IN; Tipton County, IN; Warren County, IN; and Wayne County, IN.

Kansas City-Overland Park-Kansas City, MO-KS

Anderson County, KS; Carroll County, MO; Daviess County, MO; Gentry County, MO; Henry County, MO; and Holt County, MO.

Laredo, TX

Jim Hogg County, TX; and La Salle County, TX.

Milwaukee-Racine-Waukesha, WI

Fond du Lac County, WI; and Sheboygan County, WI.

Minneapolis-St. Paul, MN-WI

Blue Earth County, MN; Brown County, MN; Dodge County, MN; Fillmore County, MN; Kanabec County, MN; Meeker County, MN; Morrison County, MN; Mower County, MN; Nicollet County, MN; Olmsted County, MN; Pine County, MN; Steele County, MN; Wabasha County, MN; Waseca County, MN; and Polk County, WI.

New York-Newark, NY-NJ-CT-PA

Sullivan County, NY; and Wayne County, PA.

Omaha-Council Bluffs-Fremont, NE-IA

Fremont County, IA; Shelby County, IA; and Burt County, NE.

Philadelphia-Reading-Camden, PA-NJ-DE-MD

Sussex County, DE; Somerset County, MD; Wicomico County, MD; Worcester County, MD; and Schuylkill County, PA.

Phoenix-Mesa-Scottsdale, AZ

Gila County, AZ.

Pittsburgh-New Castle-Weirton, PA-OH-WV

Belmont County, OH; Cambria County, PA; Greene County, PA; Somerset County, PA; Marshall County, WV; and Ohio County, WV.

Portland-Vancouver-Salem, OR-WA

Wahkiakum County, WA.

Raleigh-Durham-Chapel Hill, NC

Caswell County, NC; Edgecombe County, NC; Halifax County, NC; Moore County, NC; Nash County, NC; Northampton County, NC; Warren County, NC; and Wilson County, NC.

Richmond, VA

Brunswick County, VA; Essex County, VA; Greensville County, VA; Nottoway County, VA; and Emporia city, VA.

Sacramento-Roseville, CA-NV

Alpine County, CA; Amador County, CA; Butte County, CA; Colusa County, CA; and Sierra County, CA.

San Antonio-New Braunfels-Pearsall, TX

Gillespie County, TX; Gonzales County, TX; Karnes County, TX; Kerr County, TX; and McMullen County, TX.

San Jose-San Francisco-Oakland, CA

Calaveras County, CA; Merced County, CA; and Stanislaus County, CA.

Seattle-Tacoma, WA

Grays Harbor County, WA; Pacific County, WA; and San Juan County, WA.

St. Louis-St. Charles-Farmington, MO-IL

Fayette County, IL; Greene County, IL; Montgomery County, IL; Randolph County, IL; Washington County, IL; Crawford County, MO; Gasconade County, MO; Iron County, MO; Madison County, MO; Montgomery County, MO; Pike County, MO; Ste. Genevieve County, MO; and Washington County, MO.

Virginia Beach-Norfolk, VA-NC

Chowan County, NC; Hertford County, NC; Middlesex County, VA; Southampton County, VA; Surry County, VA; and Franklin city, VA.

Washington-Baltimore-Arlington, DC-MD-VA-WV-PA

Allegany County, MD; Caroline County, MD; Fulton County, PA; Caroline County, VA (redesignated from Richmond, VA locality pay area); Madison County, VA; Orange County,

VA; Shenandoah County, VA; Westmoreland County, VA; Hardy County, WV; and Mineral County, WV.

Expected Impact of the Proposed Rule

This rule would establish four new locality pay areas based on updated pay disparity data and would add many locations to existing locality pay areas as a result of using the revised criteria the Council has recommended for areas of application. Wage rates for employees who receive GS locality pay would increase in these areas relative to the baseline as a result. However, when locality pay percentages are adjusted at the time of an annual pay adjustment, they are scaled to a targeted overall salary outlay, regardless of the number or composition of locality pay areas. Thus, should this proposal be implemented, the larger annual increases locations might receive as a result of being redesignated to a higher-paying locality pay area would be offset by the annual increases elsewhere being smaller than they would absent such redesignation. These changes would result in geographic differences in Federal salaries better reflecting the overall geographic differences in salary in line with statutory goals. In turn, this could affect Federal recruitment and retention across the U.S. OPM requests comments on this rule regarding these impacts.

OPM expects that this rule would most directly impact approximately 32,900 GS employees. Modifying existing locality pay areas would affect approximately 16,700 GS employees, and establishing the four new locality pay areas proposed would affect approximately 16,200 GS employees. As discussed above, other Federal employees who receive GS locality pay would be indirectly impacted at the time of an annual pay adjustment. Due to the scope of this proposed rule, OPM does not anticipate that it would substantially impact local economies or have a large ripple effect in local labor markets. However, OPM is requesting comment on this rule regarding the impacts discussed above

related to future annual pay adjustments.

OPM is highly interested in any impacts of locality pay adjustments due to rulemaking and will continue to study the implications of such impacts as needed.

Executive Orders 13563 and 12866, Regulatory Review

OPM has examined the impact of this rule as required by Executive Order 12866 and Executive Order 13563, which direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public, health, and safety effects, distributive impacts, and equity). This rule is not a “significant regulatory action,” under Executive Order 12866.

Regulatory Flexibility Act

OPM certifies that this rule will not have a significant economic impact on a substantial number of small entities as this rule only applies to Federal agencies and employees.

Federalism

OPM has examined this rule in accordance with Executive Order 13132, Federalism, and has determined that this rule will not have any negative impact on the rights, roles and responsibilities of State, local, or tribal governments.

Civil Justice Reform

This regulation meets the applicable standard set forth in Executive Order 12988.

Unfunded Mandates Act of 1995

This rule will not result in the expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any year and it will not significantly or uniquely affect small governments. Therefore, no actions were deemed necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

Paperwork Reduction Act

This rule does not impose any new reporting or record-keeping requirements subject to the Paperwork Reduction Act.

List of Subjects in 5 CFR Part 531

Government employees, Law enforcement officers, Wages.

Office of Personnel Management.

Kayyonne Marston,

Federal Register Liaison.

Accordingly, OPM proposes to amend 5 CFR part 531 as follows:

PART 531—PAY UNDER THE GENERAL SCHEDULE

1. The authority citation for part 531 continues to read as follows:

Authority: 5 U.S.C. 5115, 5307, and 5338; sec. 4 of Public Law 103-89, 107 Stat. 981; and E.O. 12748, 56 FR 4521, 3 CFR, 1991 Comp., p. 316; Subpart B also issued under 5 U.S.C. 5303(g), 5305, 5333, 5334(a) and (b), and 7701(b)(2); Subpart D also issued under 5 U.S.C. 5335 and 7701(b)(2); Subpart E also issued under 5 U.S.C. 5336; Subpart F also issued under 5 U.S.C. 5304, 5305, and 5941(a); E.O. 12883, 58 FR 63281, 3 CFR, 1993 Comp., p. 682; and E.O. 13106, 63 FR 68151, 3 CFR, 1998 Comp., p. 224.

Subpart F—Locality-Based Comparability Payments

2. In § 531.602, the definitions of CSA and MSA are revised to read as follows:

§ 531.602 Definitions.

* * * * *

CSA means the geographic scope of a Combined Statistical Area, as defined by the Office of Management and Budget (OMB) in OMB Bulletin No. 20-01.

* * * * *

MSA means the geographic scope of a Metropolitan Statistical Area, as defined by the

* * * * *

3. In § 531.603, paragraph (b) is revised to read as follows:

§ 531.603 Locality pay areas.

* * * * *

(b) The following are locality pay areas for the purposes of this subpart:

(1) Alaska—consisting of the State of Alaska;

(2) Albany-Schenectady, NY-MA—consisting of the Albany-Schenectady, NY CSA and also including Berkshire County, MA, Greene County, NY, and Hamilton County, NY;

(3) Albuquerque-Santa Fe-Las Vegas, NM—consisting of the Albuquerque-Santa Fe-Las Vegas, NM CSA and also including Cibola County, NM, and McKinley County, NM;

(4) Atlanta—Athens-Clarke County—Sandy Springs, GA-AL—consisting of the Atlanta—Athens-Clarke County—Sandy Springs, GA-AL CSA and also including Cherokee County, AL, Cleburne County, AL, Lee County, AL, Randolph County, AL, Russell County, AL, Banks County, GA, Chattahoochee County, GA, Elbert County, GA, Franklin County, GA, Gilmer County, GA, Gordon County, GA, Greene County, GA, Harris County, GA, Lumpkin County, GA, Marion County, GA, Muscogee County, GA, Putnam County, GA, Rabun County, GA, Stewart County, GA, Talbot County, GA, Taliaferro County, GA, and White County, GA;

(5) Austin-Round Rock-Georgetown, TX—consisting of the Austin-Round Rock-Georgetown, TX MSA and also including Blanco County, TX, Burnet County, TX, Lee County, TX, and Milam County, TX;

(6) Birmingham-Hoover-Talladega, AL—consisting of the Birmingham-Hoover-Talladega, AL CSA and also including Calhoun County, AL, Clay County, AL, Coosa County, AL, Etowah County, AL, Greene County, AL, Hale County, AL, Pickens County, AL, Tallapoosa County, AL, Tuscaloosa County, AL, and Winston County, AL;

(7) Boston-Worcester-Providence, MA-RI-NH-CT-ME-VT—consisting of the Boston-Worcester-Providence, MA-RI-NH-CT CSA and also including Androscoggin County, ME, Cumberland County, ME, Sagadahoc County, ME, York County, ME, Dukes County, MA, Nantucket County, MA, Carroll County, NH, Cheshire County, NH, Grafton County, NH, Sullivan County, NH, Orange County, VT, and Windsor County, VT;

(8) Buffalo-Cheektowaga-Olean, NY—consisting of the Buffalo-Cheektowaga-Olean, NY CSA and also including Allegany County, NY, and Wyoming County, NY;

(9) Burlington-South Burlington-Barre, VT—consisting of the Burlington-South Burlington-Barre, VT CSA and also including Addison County, VT, and Lamoille County, VT;

(10) Charlotte-Concord, NC-SC—consisting of the Charlotte-Concord, NC-SC CSA and also including Alexander County, NC, Burke County, NC, Caldwell County, NC, Catawba County, NC, and Chesterfield County, SC;

- (11) Chicago-Naperville, IL-IN-WI—consisting of the Chicago-Naperville, IL-IN-WI CSA and also including Boone County, IL, Iroquois County, IL, Ogle County, IL, Stephenson County, IL, Winnebago County, IL, and Starke County, IN;
- (12) Cincinnati-Wilmington-Maysville, OH-KY-IN—consisting of the Cincinnati-Wilmington-Maysville, OH-KY-IN CSA and also including Ripley County, IN, Switzerland County, IN, Carroll County, KY, Fleming County, KY, Lewis County, KY, Owen County, KY, Robertson County, KY, Adams County, OH, and Highland County, OH;
- (13) Cleveland-Akron-Canton, OH-PA—consisting of the Cleveland-Akron-Canton, OH CSA and also including Ashland County, OH, Columbiana County, OH, Crawford County, OH, Harrison County, OH, Holmes County, OH, Mahoning County, OH, Richland County, OH, Trumbull County, OH, and Mercer County, PA;
- (14) Colorado Springs, CO—consisting of the Colorado Springs, CO MSA and also including Fremont County, CO, and Pueblo County, CO;
- (15) Columbus-Marion-Zanesville, OH—consisting of the Columbus-Marion-Zanesville, OH CSA and also including Coshocton County, OH, Hardin County, OH, Morgan County, OH, Noble County, OH, Pike County, OH, and Vinton County, OH;
- (16) Corpus Christi-Kingsville-Alice, TX—consisting of the Corpus Christi-Kingsville-Alice, TX CSA and also including Brooks County, TX, Live Oak County, TX, and Refugio County, TX;
- (17) Dallas-Fort Worth, TX-OK—consisting of the Dallas-Fort Worth, TX-OK CSA and also including Carter County, OK, Love County, OK, Delta County, TX, Hill County, TX, Hopkins County, TX, Jack County, TX, Montague County, TX, Rains County, TX, Somervell County, TX, and Van Zandt County, TX;
- (18) Davenport-Moline, IA-IL—consisting of the Davenport-Moline, IA-IL CSA and also including Carroll County, IL, Lee County, IL, Whiteside County, IL, Cedar County, IA, Jackson County, IA, and Louisa County, IA;
- (19) Dayton-Springfield-Kettering, OH—consisting of the Dayton-Springfield-Kettering, OH CSA and also including Allen County, OH, Auglaize County, OH, Mercer County, OH, Preble County, OH, and Van Wert County, OH;
- (20) Denver-Aurora, CO—consisting of the Denver-Aurora, CO CSA and also including Larimer County, CO, and Lincoln County, CO;
- (21) Des Moines-Ames-West Des Moines, IA—consisting of the Des Moines-Ames-West Des Moines, IA CSA and also including Adair County, IA, Clarke County, IA, Greene County, IA, Hamilton County, IA, Lucas County, IA, Monroe County, IA, and Poweshiek County, IA;
- (22) Detroit-Warren-Ann Arbor, MI—consisting of the Detroit-Warren-Ann Arbor, MI CSA and also including Clinton County, MI, Eaton County, MI, Huron County, MI, Ingham County, MI, Jackson County, MI, Sanilac County, MI, Shiawassee County, MI, and Tuscola County, MI;
- (23) Fresno-Madera-Hanford, CA—consisting of the Fresno-Madera-Hanford, CA CSA and also including Mariposa County, CA, and Tulare County, CA;
- (24) Harrisburg-Lebanon, PA—consisting of the Harrisburg-York-Lebanon, PA CSA, except for Adams County, PA, and York County, PA, and also including Juniata County, PA, and

Lancaster County, PA;

(25) Hartford-East Hartford, CT-MA—consisting of the Hartford-East Hartford, CT CSA and also including Franklin County, MA, Hampden County, MA, and Hampshire County, MA;

(26) Hawaii—consisting of the State of Hawaii;

(27) Houston-The Woodlands, TX—consisting of the Houston-The Woodlands, TX CSA and also including Colorado County, TX, Grimes County, TX, Jackson County, TX, Madison County, TX, San Jacinto County, TX, and Trinity County, TX;

(28) Huntsville-Decatur, AL-TN—consisting of the Huntsville-Decatur, AL CSA and also including Colbert County, AL, DeKalb County, AL, Lauderdale County, AL, Marshall County, AL, and Lincoln County, TN;

(29) Indianapolis-Carmel-Muncie, IN—consisting of the Indianapolis-Carmel-Muncie, IN CSA and also including Benton County, IN, Blackford County, IN, Carroll County, IN, Clinton County, IN, Fayette County, IN, Fountain County, IN, Grant County, IN, Lawrence County, IN, Monroe County, IN, Owen County, IN, Randolph County, IN, Rush County, IN, Tippecanoe County, IN, Tipton County, IN, Warren County, IN, and Wayne County, IN;

(30) Kansas City-Overland Park-Kansas City, MO-KS—consisting of the Kansas City-Overland Park-Kansas City, MO-KS CSA and also including Anderson County, KS, Jackson County, KS, Jefferson County, KS, Osage County, KS, Shawnee County, KS, Wabaunsee County, KS, Carroll County, MO, Daviess County, MO, Gentry County, MO, Henry County, MO, and Holt County, MO;

(31) Laredo, TX—consisting of the Laredo, TX MSA and also including Jim Hogg County, TX, and La Salle County, TX;

(32) Las Vegas-Henderson, NV-AZ—consisting of the Las Vegas-Henderson, NV CSA and also including Mohave County, AZ;

(33) Los Angeles-Long Beach, CA—consisting of the Los Angeles-Long Beach, CA CSA and also including Imperial County, CA, Kern County, CA, San Luis Obispo County, CA, and Santa Barbara County, CA;

(34) Miami-Port St. Lucie-Fort Lauderdale, FL—consisting of the Miami-Port St. Lucie-Fort Lauderdale, FL CSA and also including Okeechobee County, FL;

(35) Milwaukee-Racine-Waukesha, WI—consisting of the Milwaukee-Racine-Waukesha, WI CSA and also including Fond du Lac County, WI, and Sheboygan County, WI;

(36) Minneapolis-St. Paul, MN-WI—consisting of the Minneapolis-St. Paul, MN-WI CSA and also including Blue Earth County, MN, Brown County, MN, Dodge County, MN, Fillmore County, MN, Kanabec County, MN, Meeker County, MN, Morrison County, MN, Mower County, MN, Nicollet County, MN, Olmsted County, MN, Pine County, MN, Sibley County, MN, Wabasha County, MN, Waseca County, MN, and Polk County, WI;

(37) New York-Newark, NY-NJ-CT-PA—consisting of the New York-Newark, NY-NJ-CT-PA CSA and also including Warren County, NJ, Sullivan County, NY, Carbon County, PA, Lehigh County, PA, Northampton County, PA, Wayne County, PA, and all of Joint Base McGuire-Dix-Lakehurst;

- (38) Omaha-Council Bluffs-Fremont, NE-IA—consisting of the Omaha-Council Bluffs-Fremont, NE-IA CSA and also including Fremont County, IA, Shelby County, IA, and Burt County, NE;
- (39) Palm Bay-Melbourne-Titusville, FL—consisting of the Palm Bay-Melbourne-Titusville, FL MSA;
- (40) Philadelphia-Reading-Camden, PA-NJ-DE-MD—consisting of the Philadelphia-Reading-Camden, PA-NJ-DE-MD CSA, except for Joint Base McGuire-Dix-Lakehurst, and also including Sussex County, DE, Somerset County, MD, Wicomico County, MD, Worcester County, MD, and Schuylkill County, PA;
- (41) Phoenix-Mesa, AZ—consisting of the Phoenix-Mesa, AZ CSA;
- (42) Pittsburgh-New Castle-Weirton, PA-OH-WV—consisting of the Pittsburgh-New Castle-Weirton, PA-OH-WV CSA and also including Belmont County, OH, Cambria County, PA, Greene County, PA, Somerset County, PA, Marshall County, WV, and Ohio County, WV;
- (43) Portland-Vancouver-Salem, OR-WA—consisting of the Portland-Vancouver-Salem, OR-WA CSA and also including Wahkiakum County, WA;
- (44) Raleigh-Durham-Cary, NC—consisting of the Raleigh-Durham-Cary, NC CSA and also including Caswell County, NC, Cumberland County, NC, Edgecombe County, NC, Halifax County, NC, Harnett County, NC, Hoke County, NC, Lee County, NC, Moore County, NC, Nash County, NC, Northampton County, NC, Robeson County, NC, Scotland County, NC, Warren County, NC, Wayne County, NC, and Wilson County, NC;
- (45) Reno-Fernley, NV—consisting of the Reno-Carson City-Fernley, NV CSA, except for Carson City, NV, and Douglas County, NV, and also including Churchill County, NV;
- (46) Richmond, VA—consisting of the Richmond, VA MSA and also including Brunswick County, VA, Cumberland County, VA, Essex County, VA, Greensville County, VA, Louisa County, VA, Nottoway County, VA, and Emporia city, VA;
- (47) Rochester-Batavia-Seneca Falls, NY—consisting of the Rochester-Batavia-Seneca Falls, NY CSA;
- (48) Sacramento-Roseville, CA-NV—consisting of the Sacramento-Roseville, CA CSA and also including Alpine County, CA, Amador County, CA, Butte County, CA, Colusa County, CA, Sierra County, CA, Carson City, NV, and Douglas County, NV;
- (49) San Antonio-New Braunfels-Pearsall, TX—consisting of the San Antonio-New Braunfels-Pearsall, TX CSA and also including Gillespie County, TX, Gonzales County, TX, Karnes County, TX, Kerr County, TX, and McMullen County, TX;
- (50) San Diego-Chula Vista-Carlsbad, CA—consisting of the San Diego-Chula Vista-Carlsbad, CA MSA;
- (51) San Jose-San Francisco-Oakland, CA—consisting of the San Jose-San Francisco-Oakland, CA CSA and also including Calaveras County, CA, and Monterey County, CA;
- (52) Seattle-Tacoma, WA—consisting of the Seattle-Tacoma, WA CSA and also including Grays Harbor County, WA, Pacific County, WA, San Juan County, WA, and Whatcom County,

WA;

(53) Spokane-Spokane Valley-Coeur d'Alene, WA-ID—consisting of the Spokane-Spokane Valley-Coeur d'Alene, WA-ID CSA and also including Benewah County, ID, Shoshone County, ID, Ferry County, WA, Lincoln County, WA, and Pend Oreille County, WA;

(54) St. Louis-St. Charles-Farmington, MO-IL—consisting of the St. Louis-St. Charles-Farmington, MO-IL CSA and also including Fayette County, IL, Greene County, IL, Montgomery County, IL, Randolph County, IL, Washington County, IL, Crawford County, MO, Gasconade County, MO, Iron County, MO, Madison County, MO, Montgomery County, MO, Pike County, MO, Ste. Genevieve County, MO, and Washington County, MO;

(55) Tucson-Nogales, AZ—consisting of the Tucson-Nogales, AZ CSA and also including Cochise County, AZ;

(56) Virginia Beach-Norfolk, VA-NC—consisting of the Virginia Beach-Norfolk, VA-NC CSA and also including Chowan County, NC, Hertford County, NC, Tyrrell County, NC, Middlesex County, VA, and Surry County, VA;

(57) Washington-Baltimore-Arlington, DC-MD-VA-WV-PA—consisting of the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA CSA and also including Allegany County, MD, Caroline County, MD, Dorchester County, MD, Kent County, MD, Adams County, PA, Fulton County, PA, York County, PA, Caroline County, VA, King George County, VA, Orange County, VA, Shenandoah County, VA, Westmoreland County, VA, Hardy County, WV, and Mineral County, WV; and

(58) Rest of U.S.—consisting of those portions of the United States and its territories and possessions as listed in 5 CFR 591.205 not located within another locality pay area.

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